# Pearl Global Industries FZCO

## Financial Statements
## For the year ended March 31, 2025

## INDEX TO THE FINANCIAL STATEMENTS

## COMPANY INFORMATION

**Shareholders**
M/s Pearl Global HK Limited, Hongkong

**Directors**
Mr. Abhishek Goyal
Mr. Gurumoorthy Gurusankar
Mr. Mahesh Kumar Seth
Mr. Pulkit Seth
Mr. Lalit Pandit Jade
Mr. Deepak Kumar Seth

**Managers**
Mr. Deepak Kumar Seth
Mrs. Hemalatha Ganapathy

**Principal business**
The principal activities of the Company as per their trade license are "Clothing, including sports clothes and uniforms Trading, Fabrics Trading and Clothing accessories Trading".

**License no.**
05597

**Business address**
6EA 617
Sixth Floor, 6 East A
Dubai Airport Freezone
Dubai, United Arab Emirates

**Bankers**
HSBC Bank
Dubai, United Arab Emirates

Mashreq Bank
Dubai, United Arab Emirates

**Auditors**
TRC PAMCO Middle East Auditing & Accounting L.L.C
P O Box 94570, Dubai
**Tel:** +971-(0)4-2298777
**Email:** info@trcpamco.com

**DIRECTOR'S REPORT**

The directors are pleased to present their report together with audited financial statements of the Company for the year ended March 31, 2025.

**Performance review**

During the year, the Company has generated a revenue of AED 52.54 million as compared to previous year revenue of AED 26.55 million and Company had earned a net income of AED 1.46 million as compared to previous year net income of AED 2.45million.

**Principal activities**

The principal activities of the Company as per their trade license are "Clothing, including sports clothes and uniforms Trading, Fabrics Trading and Clothing accessories Trading".

**Events subsequent to the balance sheet date**

There were no major events which occurred since the period end that materially affect the financial position of the Company.

**For Pearl Global Industries FZCO**

**Mr. Deepak Kumar Seth**
**Director**
**Dubai**
**April 24, 2025**

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P.O.BOX : 54803
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PEARL GLOBAL INDUSTRIES FZCO

## INDEPENDENT AUDITOR'S REPORT

**To the Management of Pearl Global**

**Report on the audit of the Special Purpose financial statements of Pearl Global Industries FZCO for the year ended March 31, 2025.**

**Opinion**

We have audited, for purposes of the preparation of the consolidated financial statements of Pearl Global Industries Ltd, India the accompanying financial statements (herein referred to as "Special purpose Financial Statement") of Pearl Global Industries FZCO ("the Company"), which comprises the statement of financial position as at March 31, 2025, statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended March 31, 2025 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025 and its financial performance and its cash flows for the year then ended in accordance with the instructions issued by the Pearl Global Industries Ltd management and group accounting policies. However, these financial statements have been prepared for consolidation purpose only at the request of the Management for their internal use only.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA's). Our responsibilities under those standards are further described in the auditors responsibilities for the audit of the financial statements of our report. We are independent of the Company in accordance with the 'International Ethics Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other Ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

**Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and their preparation in compliance with the applicable provisions of the Company's Memorandum of Association and Dubai Integrated Economic Zones Authority, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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ABU DHABI: Office 1417, Floor 14, Makeen Tower, Al Zahiya Street, Tourist Club Area, Abu Dhabi, UAE. PO Box – 35243, Tel: +971 2 6573 449

## INDEPENDENT AUDITOR'S REPORT

### Auditors responsibilities for the audit of the financial statements

Objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional skepticism through out the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

  We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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**Reg. No: 423**
**Dubai**
**April 24, 2025**

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## Balance Sheet as at March 31, 2025

*(Figures in AED)*

| | Note | As on Mar. 31, 2025 | As on Mar. 31, 2024 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non current assets** | | | |
| Property, plant and equipment (net) | 4 | **258,934** | 4,584 |
| Right of use assets | 5 | **476,894** | 841,160 |
| | | **735,828** | 845,744 |
| **Current assets** | | | |
| Advances, deposits and prepayments | 6 | **20,695** | 18,396 |
| Trade receivables | 7 | **6,857,100** | 8,892,922 |
| Cash and cash equivalents | 8 | **4,102,419** | 1,559,255 |
| | | **10,980,215** | 10,470,573 |
| | | **11,716,042** | 11,316,318 |
| **LIABILITIES AND EQUITY** | | | |
| **Equity** | | | |
| Share capital | | **100,000** | 100,000 |
| Current account | | - | - |
| Retained earnings | | **3,897,704** | 2,439,501 |
| | | **3,997,704** | 2,539,501 |
| **Non current liabilities** | | | |
| Employee terminal benefits | | **13,884** | 4,760 |
| Lease liabilities | 9 | - | 251,785 |
| | | **13,884** | 256,545 |
| **Current liabilities** | | | |
| Trade payables | 10 | **7,373,608** | 6,935,723 |
| Due to related party | 11 | - | 1,260,689 |
| Lease liabilities | 9 | **251,785** | 296,670 |
| Accruals and other payables | 12 | **79,061** | 27,191 |
| | | **7,704,454** | 8,520,272 |
| **Total Liabilities and Equity** | | **11,716,042** | 11,316,318 |

*These financial statements were approved by the Board of Directors on April 24, 2025 and signed on their behalf by:*

**For Pearl Global Industries FZCO**

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**Mr. Deepak Kumar Seth**
**Director**
**Dubai**
**April 24, 2025**

Pearl Global Industries FZCO

**Statement of Comprehensive income for the year ended March 31, 2025**

| | | | *(Figures in AED)* |
|---|---|---|---|
| | | **Year ended Mar. 31, 2025** | Year ended Mar. 31, 2024 |
| **REVENUE (A)** | | | |
| Revenue from operations | 13 | **52,539,932** | 26,552,694 |
| Less: Cost of sales | 14 | **(48,371,498)** | (23,844,132) |
| **Gross income** | | **4,168,433** | 2,708,562 |
| **EXPENDITURE (B)** | | | |
| Administrative and general expenses | 15 | **(2,954,825)** | (337,590) |
| Other operating expenses | 16 | **(81,895)** | (39,193) |
| Finance Cost | 17 | **(510,800)** | (104,456) |
| Other income | 18 | **846,361** | 226,821 |
| Exchange gain/(loss) | | **(9,072)** | (4,643) |
| **Net income for the year before tax (A-B)** | | **1,458,203** | 2,449,501 |
| Tax expense | | - | - |
| **Net income for the year** | | **1,458,203** | 2,449,501 |
| Other comprehensive income | | - | - |
| **Net comprehensive income for the year** | | **1,458,203** | 2,449,501 |

*These financial statements were approved by the Board of Directors on April 24, 2025 and signed on their behalf by:*

**For Pearl Global Industries FZCO**

**Mr. Deepak Kumar Seth**
**Director**
**Dubai**
**April 24, 2025**

## Pearl Global Industries FZCO

### Statement of cash flow for the year ended March 31, 2025

| | | *(Figures in AED)* | |
|---|---|---|---|
| | | **Year ended Mar. 31, 2025** | Year ended Mar. 31, 2024 |
| **I** | **OPERATING ACTIVITIES** | | |
| | Net comprehensive income for the year | **1,458,203** | 2,449,501 |
| | *Adjustments;* | | |
| | Depreciation of property, plant and equipment | **57,539** | 7,052 |
| | Depreciation of right of use assets | **286,289** | 78,461 |
| | Loss on sale of asset | **1,910** | - |
| | Finance cost | **510,800** | 104,456 |
| | Employee terminal benefits | **9,124** | 4,760 |
| | **Operating cash flow before working capital changes** | **2,323,865** | 2,644,229 |
| | *Changes in working capital:* | | |
| | (Increase)/decrease in advances, deposits and prepayments | **(2,299)** | 85,903 |
| | (Increase)/decrease in trade receivables | **2,035,822** | (8,892,922) |
| | Increase/(decrease) in trade payables | **437,886** | 6,935,723 |
| | Increase/(decrease) in accruals and other payables | **51,871** | 13,127 |
| | **Cash generated from operating activities (A)** | **4,847,144** | 786,059 |
| **II** | **INVESTING ACTIVITIES** | | |
| | Net Purchase of property, plant and equipment | **(313,800)** | - |
| | **Cash (used in) investing activities (B)** | **(313,800)** | - |
| **III** | **FINANCING ACTIVITIES** | | |
| | Net movement in current account | **-** | (11,870) |
| | Finance cost | **(483,903)** | (104,456) |
| | Increase in due from related party | **(1,260,689)** | 1,260,689 |
| | Lease payment made during the period | **(245,589)** | (371,166) |
| | **Cash generated from/(used in) financing activities (C)** | **(1,990,180)** | 773,196 |
| | **Net increase in cash and cash equivalents (A+B+C)** | **2,543,164** | 1,559,255 |
| | Cash and cash equivalents at the beginning of the year | **1,559,255** | - |
| | **Cash and cash equivalents at the end of the year** | **4,102,419** | 1,559,255 |
| | **CASH AND CASH EQUIVALENTS** | | |
| | Cash in hand | **245** | 574 |
| | Cash at bank | **4,102,174** | 1,558,682 |
| | **Cash and cash equivalents as per cash flow statement** | **4,102,419** | 1,559,255 |

*These financial statements were approved by the Board of Directors on April 24, 2025 and signed on their behalf by:*

**For Pearl Global Industries FZCO**

**Mr. Deepak Kumar Seth**
**Director**
**Dubai**
**April 24, 2025**

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**Statement of changes in equity for the year ended March 31, 2025**

*(Figures in AED)*

| | Share capital | Current account | Retained earnings | Total |
|---|---|---|---|---|
| **As on April 01, 2023** | 100,000 | 11,870 | (10,000) | 101,870 |
| Net comprehensive income for the year | - | - | 2,449,501 | 2,449,501 |
| Net movement in current account | - | (11,870) | - | (11,870) |
| **As on March 31, 2024** | **100,000** | - | **2,439,501** | **2,539,501** |
| Net comprehensive income for the year | - | - | 1,458,203 | 1,458,203 |
| **As on March 31, 2025** | **100,000** | - | **3,897,704** | **3,997,704** |

*These financial statements were approved by the Board of Directors on April 24, 2025 and signed on their behalf by:*

**For Pearl Global Industries FZCO**

**Mr. Deepak Kumar Seth**
**Director**
**Dubai**
**April 24, 2025**

**Significant accounting policies to the financial statements for the year ended March 31, 2025**

These financial statements have been prepared for the year ended March 31, 2025

## 1. LEGAL STATUS, ACTIVITIES AND MANAGEMENT

### 1.1 Legal status

Pearl Global Industries FZCO was incorporated on March 08, 2023 as a Limited Liability Company, duly incorporated in Dubai Airport Freezone under Dubai Integrated Economic Zones Authority, Dubai, UAE and having license number 05597 as per the company's trade license.

The registered office of the Company is located in Dubai Airport Freezone, Dubai, UAE.

As per the MOA of the Company, the holding Company is "Pearl Global HK Limited".

As per the Share Certificate of the company: the issued, subscribed and paid up capital of the Company as on March 31, 2025 is AED 100,000 divided into 100 ordinary shares of AED 1,000 each. The shareholders as at March 31, 2025 and their share holding in the Company as at the date were as follows:

| Name | Country of incorporation | No. of shares | %age of holding | Value (AED) |
|---|---|---|---|---|
| Pearl Global HK Limited | Hong Kong | 100 | 100% | 100,000 |
| | **Total** | **100** | | **100,000** |

### 1.2 Activities

The principal activities of the Company as per their trade license are "Clothing, including sports clothes and uniforms Trading, Fabrics Trading and Clothing accessories Trading".

## 2 SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

These special purpose financial statements of the Company have been prepared in accordance with the generally accepted accounting principles included in the Pearl Global Industries Ltd's Accounting policies. These Special Purpose financial Statement has been prepared solely to enable Pearl Global Industries Ltd, India the company's ultimate parent undertaking to prepare its consolidated financial statements, therefore, all intra group transactions, balances and investments which are subject to elimination in preparation of consolidated financial statement were not evaluated for impairment and recoverability.

The financial statements have been prepared on an accrual basis and under the historical cost convention.
The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.
The financial statements are prepared under the historical cost convention.

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**Significant accounting policies to the financial statements for the year ended March 31, 2025**

**Functional and presentation currency**

The Company's functional and presentation currency is the AED. Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

**2.2 Use of estimates and judgements**

The preparation of the financial statements requires management to make estimates and assumptions that may affect the reported amount of assets and liabilities, revenues, expenses and the provisions and fair values. Such estimates are necessarily based on assumptions about several factors and actual results may differ from reported amounts.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty, and critical judgements in applying accounting policies (that have the most significant effect on the amount recognized in the financial statements) are discussed in Note 24.

**2.3 Revenue recognition**

Revenue from provision of services is recognized under the light of provisions of IFRS15. Revenue from contract with customers is recognized based on the application of a principle-based 'five step' model:

a. Identification of the contract with customers
b. Identification of performance obligations(PO)in the contract;
c. Determination of the transaction price (TP);
d. Allocation of the Transaction Price to the PO in the contract and
e. Recognition of the revenue when (or as)an entity satisfies a PO

Revenue flowing from multiple services are categorized on the basis of timings of services provided and performance obligation so satisfied i.e. (a) At a point in time and (b) Over the period of time and is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding any variable consideration unless it is highly probable that subsequent change in estimate would not result in reversal of revenue.

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**Significant accounting policies to the financial statements for the year ended March 31, 2025**

**2.4 Property, Plant and Equipment**

Property and equipment is stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets.

| Asset | Useful life of asset |
|---|---|
| Furniture and Fixtures | 2 - 3 years |
| Leasehold Improvements | 2 - 3 years |

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

**2.5 Accounts receivable**

Accounts receivable are stated at original invoice amount less a provision for any uncollectible amounts as per the expected credit loss model. An estimate for doubtful debts is made when collection of the amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

The Company makes use of a simplified approach in accounting for trade receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the provision, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

**2.6 Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand and bank balances.

**2.7 Accounts payable and accruals**

Liabilities are recognized for amounts to be paid in the future for goods or services received. In case the invoices are not available, the same is included in the accruals.

**2.8 Provisions**

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date and adjusted to reflect the current best estimates.



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**Significant accounting policies to the financial statements for the year ended March 31, 2025**

**2.9 Employees' end of service benefits**

The Company provides end of service benefits (Gratuity and Leave Encashment) to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

**2.10 Leases**

**Right of use assets**

The Company recognises Right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets is depreciated on a straight-line basis over the shorter of its useful life and the lease term.

**Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

**2.11 Foreign Exchange Transactions**

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are restated at the exchange rate prevailing on the balance sheet date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange difference

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of the company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.



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**Significant accounting policies to the financial statements for the year ended March 31, 2025**

**2.12 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. This note summarises accounting policy for fair value.

**2.13 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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**Significant accounting policies to the financial statements for the year ended March 31, 2025**

a) **Financial assets**

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, are classified as at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

**Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The losses arising from impairment are recognised in the Statement of comprehensive income.

**Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

**Equity investments**

All equity investments in the scope of IFRS 9 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by the Company as an acquirer in a business combination to which IFRS 3 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

-The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Significant accounting policies to the financial statements for the year ended March 31, 2025**

**Impairment of financial assets**

In accordance with IFRS 9, the Company applies expected credit loss (ECL) model for measurement and recognition of
impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under IFRS 16

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IFRS 15 (referred to as contractual revenue receivables' in these financial statements)

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

-Trade receivables or contract assets; and

-All lease receivables resulting from transactions within the scope of IFRS 16

The Company recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.
Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

-All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms



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- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

**Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation and amortisation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in the statement of comprehensive income.

**b) Financial liabilities**

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

Subsequent measurement



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**Significant accounting policies to the financial statements for the year ended March 31, 2025**

- Financial liabilities at fair value through profit or loss
- Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
- Gains or losses on liabilities held for trading are recognised in the statement of comprehensive income.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**2.14 Share capital**

Proceeds from issuance of ordinary shares are recognized as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

**2.15 UAE Corporation Tax law and application of IAS 12 Income Taxes**

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1st June 2023.

The company will be subject to a corporate tax rate ranging from 0% to 9% on taxable income above a threshold of AED 375,000 for periods beginning on or after 1 June 2023. Decision No. 116 of 2022 specifies the threshold of income (as AED 375,000) over which a corporate tax of 9% would apply and accordingly, the CT Law is now considered to be substantively enacted.

For the Company, current taxes is not accounted to the financial statements for the year beginning April 01, 2024 as per Qualified Free Zone person (QFZP) relief guide issued by Federal Tax Authority (FTA). In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact has been considered for the financial year ended March 31, 2025.



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**Significant accounting policies to the financial statements for the year ended March 31, 2025**

The company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under UAE Corporate Tax Laws. Since the law requires such information and documentation to be contemporaneous in nature, the company is in the process of updating the documentation of transactions with the related parties/ enterprises during the financial year 2024-25 and expects such records to be in existence latest by the due date as per the law. The management is of the opinion that its transactions with the related parties are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

**2.16 Value Added Tax**

Value Added Tax (VAT) asset/ liability is recognized in the books on the basis of regulations defined by Tax Authorities.

Expenses and assets are recognized net of the amount of value added tax, except:

-When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
-When receivables and payables are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of other receivables or other payables in the financial statements.

Company is in the process of Registering for Vat with Federal Tax Authority.

**2.17 Contingencies**

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) a present obligation that arises from past events but is not recognized because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

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**Notes to the financial statements for the year ended March 31, 2025**

## 4. Property, Plant and Equipment

*(Figures in AED)*

| | Leasehold Improvements | Furniture & fixtures | Total |
|---|---|---|---|
| **Original Cost :** | | | |
| As at April 01, 2024 | - | 9,168 | 9,168 |
| Additions during the year | 291,802 | 21,998 | 313,800 |
| Disposal made during the year | - | (9,168) | (9,168) |
| **As at March 31, 2025** | **291,802** | **21,998** | **313,800** |
| **Depreciation :** | | | |
| As at April 01, 2024 | - | 4,584 | 4,584 |
| Charge for the year | 52,108 | 5,432 | 57,539 |
| Disposal made during the year | - | (7,258) | (7,258) |
| **As at March 31, 2025** | **52,108** | **2,758** | **54,865** |
| **Net Block :** | | | |
| **As at March 31, 2025** | **239,694** | **19,240** | **258,934** |
| As at March 31, 2024 | - | 4,584 | 4,584 |

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## Notes to the financial statements for the year ended March 31, 2025

| | As on Mar. 31, 2025 | As on Mar. 31, 2024 |
|---|---|---|
| | *(Figures in AED)* | |
| **5. RIGHT OF USE ASSETS - OFFICE** | | |
| Net carrying value - Opening balance | **841,160** | - |
| Adjustment/additions to Right of use assets | **3,801** | 919,621 |
| Derecognition of right of use assets | **(81,779)** | - |
| Less: Amortization during the year | **(286,289)** | (78,461) |
| **Net carrying value - Closing balance** | **476,894** | 841,160 |
| **6. DEPOSITS AND PREPAYMENTS** | | |
| Prepayments | **20,695** | 18,375 |
| Deposits | **-** | 21 |
| | **20,695** | 18,396 |
| **7. TRADE RECEIVABLES** | | |
| Trade receivable | **6,857,100** | 8,892,922 |
| Less: Expected credit loss (ECL) | **-** | - |
| | **6,857,100** | 8,892,922 |

*In determining the recoverability of trade receivables, the company considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the date of adoption of the accounts. Management has taken the current market conditions and payment received subsequent to the reporting date when assessing the credit quality of trade receivables and accordingly provision for doubtful debts is*

| | | |
|---|---|---|
| *Ageing of trade receivable as on year end:* | | |
| *Due to for less than 30 days* | **2,291,337** | - |
| *Due for 30 to 90 days* | **3,997,829** | 8,892,922 |
| *Due for more than 90 days* | **567,935** | - |
| | **6,857,100** | 8,892,922 |

| | | |
|---|---|---|
| **8. CASH AND CASH EQUIVALENTS** | | |
| Cash in hand | **245** | 574 |
| Balance in local currency accounts | **6,968** | 4,687 |
| Balance in foreign currency accounts | **4,095,206** | 1,553,995 |
| | **4,102,419** | 1,559,255 |

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**Notes to the financial statements for the year ended March 31, 2025**

| | (Figures in AED) | |
|---|---|---|
| | **As on Mar. 31, 2025** | As on Mar. 31, 2024 |
| **9. LEASE LIABILITIES** | | |
| Opening balance | **548,455** | - |
| Adjustment/Addition to lease liability during the year | **(181)** | 919,621 |
| Less: Derecognition of Lease Liabilities during the year | **(59,268)** | - |
| Add: Lease interest charged during the year | **26,897** | 7,485 |
| Less: Lease payment during the year | **(264,118)** | (378,651) |
| **Lease liabilities- Closing balance** | **251,785** | 548,455 |
| *Breakup of lease liabilities as on year end basis:* | | |
| Current portion | **251,785** | 296,670 |
| Non-current portion | **-** | 251,785 |
| | **251,785** | 548,455 |
| **10. TRADE PAYABLES** | | |
| Trade payable | **-** | 1,660,602 |
| Trade Payable- Related Party | **7,373,608** | 5,275,121 |
| | **7,373,608** | 6,935,723 |
| **11. DUE TO RELATED PARTY** | | |
| Due to Pearl Global HK Ltd* | - | 509,426 |
| Loan from Pearl Global HK Ltd** | - | 751,262 |
| | - | 1,260,689 |

** This includes the fund received from holding company for working capital requirements, interest free, unsecured and repayable on demand.*

***The company had taken short term loan from holding company - Pearl Global HK Ltd of USD 200,000 at the interest rate of @ 5.5% p.a and the loan amount including interest was settled during the year.*

| | | |
|---|---|---|
| **12. ACCRUALS AND OTHER PAYABLES** | | |
| Expenses payable | **22,286** | 1,208 |
| Salary and other employee related payable | **56,775** | 25,983 |
| | **79,061** | 27,191 |

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**Notes to the financial statements for the year ended March 31, 2025**

| | | *(Figures in AED)* |
|---|---|---|
| | **Year ended Mar. 31, 2025** | Year ended Mar. 31, 2024 |
| **13. REVENUE** | | |
| Sale of goods | **52,539,932** | 26,552,694 |
| | **52,539,932** | 26,552,694 |

**Timing of revenue recognition:**

*All revenue is recognized when the performance obligations are completed at the point of sale.*

| | | |
|---|---|---|
| **14. COST OF SALES** | | |
| Purchases of goods | **48,371,498** | 23,844,132 |
| | **48,371,498** | 23,844,132 |
| **15. ADMINISTRATIVE AND GENERAL EXPENSES** | | |
| Consultancy charges* | **1,615,113** | - |
| Employee cost | **306,936** | 154,897 |
| Legal and professional expenses | **300,625** | 66,626 |
| Amortization of Right of use assets (refer note 5) | **286,289** | 78,461 |
| Office and general expenses | **190,479** | 7,016 |
| ECL Expense | **168,847** | - |
| Depreciation of property, plant and equipment (refer note 4) | **57,539** | 4,584 |
| Utility and communication expense | **24,458** | 17,602 |
| Travelling cost | **4,540** | 5,968 |
| Marketing Expense | **-** | 2,436 |
| | **2,954,825** | 337,590 |

** Consultancy charges represent the charges made to consultant towards facilitating the customers as per the agreement dated on January 25, 2025.*

| | | |
|---|---|---|
| **16. OTHER OPERATING EXPENSES** | | |
| Bank charges | **79,985** | 39,193 |
| Loss on sale of assets | **1,910** | - |
| | **81,895** | 39,193 |
| **17. FINANCE COST** | | |
| Discounting on LC | **317,369** | 77,399 |
| Interest expense on related party loan (refer note 11) | **54,654** | 17,262 |
| Lease interest | **26,897** | 2,310 |
| Factoring charges | **111,880** | 7,485 |
| | **510,800** | 104,456 |
| **18. OTHER INCOME** | | |
| Management fee income* | **844,474** | 226,821 |
| Interest income | **1,887** | - |
| | **846,361** | 226,821 |

** All revenue is earned from Management consultancies which provided to holding company outside U.A.E.*



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**Notes to the financial statements for the year ended March 31, 2025**

## 19. FINANCIAL INSTRUMENTS

The management believes that the fair value of the financial assets and liabilities are not significantly different from their carrying amounts at balance sheet date.

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed. The primary risks to which the business is exposed comprises of credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

### a. Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the end of the reporting period. The Company has no significant concentration of credit risk.

The Company's bank accounts are placed with high credit quality financial institution. The Company manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. Credit risk is limited to the carrying value of financial assets in the balance sheet.

The maximum exposure to credit risk at the end of the reporting year is:

*(Figures in AED)*

| | **As on Mar. 31, 2025** | As on Mar. 31, 2024 |
|---|---|---|
| Advances and deposits | **-** | 21 |
| Trade receivables | **6,857,100** | 8,892,922 |
| Cash and cash equivalents | **4,102,419** | 1,559,255 |
| | **10,959,520** | 10,452,198 |

### b. Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company does not have any significant currency risk as the Company's transactions are mainly in United States Dollars (USD) and United Arab Emirate Dirham (AED) which is pegged to USD.

### c. Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to change in market interest rates. The Company's income and operating cash flows are substantially independent of the changes in market interests rates as company had fixed rate short term borrowing with related parties.

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**Notes to the financial statements for the year ended March 31, 2025**

**d. Liquidity risk**

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from inability to sell a financial asset quickly at close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

*(Figures in AED)*

| | Carrying Amount | Within one year | 1 to 5 year | More than 5 year |
|---|---|---|---|---|
| **As on March 31, 2025** | | | | |
| Lease liabilities | 251,785 | 251,785 | - | - |
| Trade payables | 7,373,608 | 7,373,608 | - | - |
| Accruals and other payables | 79,061 | 79,061 | - | - |
| | **7,704,454** | **7,704,454** | **-** | **-** |
| **As on March 31, 2024** | | | | |
| Lease liabilities | 548,455 | 296,670 | 251,785 | - |
| Due to Related Party | 1,260,689 | 1,260,689 | - | - |
| Trade payables | 6,935,723 | 6,935,723 | - | - |
| Accruals and other payables | 27,191 | 27,191 | - | - |
| | **8,772,057** | **8,520,272** | **251,785** | **-** |

**e. Capital risk management**

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged during the year.

**20. SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

There are no significant events occurring after the balance sheet date, which require disclosure in the financial statements.

**21. RELATED PARTY TRANSACTIONS**

The Company in the normal course of business enters into transactions with other business enterprises that fall within the definition of related party contained in the International Accounting Standard. The Company believes that the terms of these transactions are not significantly different from those that could have been obtained from third parties.

List of related parties where control exists and related parties with whom transactions have taken place is as follows:

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**Notes to the financial statements for the year ended March 31, 2025**

| Name of related party | Country | Nature of relationship |
|---|---|---|
| M/s. Alpha Clothing Ltd | Bangladesh | Fellow subsidiaries |
| M/s. Norp Knit Industries Limited | Bangladesh | Fellow subsidiaries |
| M/s. Prudent Fashions Limited | Bangladesh | Fellow subsidiaries |
| M/s. PT Pinnacle Apparels | Indonesia | Fellow subsidiaries |
| M/s. Pearl Global (HK) Limited | Hong Kong | Holding Company |
| M/s. Pearl Global Industries Ltd | India | Ultimate Holding company |
| | | |
| Mrs. Hemalatha Ganapathy | | Key Management Personnel |

Details of transaction with related parties during the year:

*(Figures in AED)*

| Name of the related party | Nature of balance | Year ended Mar. 31, 2025 | Year ended Mar. 31, 2024 |
|---|---|---|---|
| M/s. Alpha Clothing Ltd | Purchase | **8,341,909** | 631,721 |
| M/s. Norp Knit Industries Limited | Purchase | **5,154,947** | 4,164,562 |
| M/s. Prudent Fashions Limited | Purchase | **56,805** | 112,056 |
| M/s. PT Pinnacle Apparels | Purchase | **24,534,406** | 14,182,670 |
| M/s. Pearl Global Industries Ltd | Purchase | **3,892,799** | |
| M/s. Pearl Global (HK) Limited | Management fee | **844,474** | 226,821 |
| | Interest expense | **54,654** | 17,262 |
| | Net fund received | **-** | 509,426 |
| | Net Short term loan received/(paid) | **(751,262)** | 751,262 |
| Mrs. Hemalatha Ganapathy | Salary and benefits | **139,000** | 120,000 |
| | Gratuity expense | **4,747** | 4,200 |

Balances of due from/(due to) related parties at the year end:

*(Figures in AED)*

| Name of the related party | Nature of balance | As on Mar. 31, 2025 | As on Mar. 31, 2024 |
|---|---|---|---|
| M/s. Alpha Clothing Ltd | Trade payable | **(366,287)** | (631,721) |
| M/s. Norp Knit Industries Limited | Trade payable | **(679)** | (26,830) |
| M/s. Prudent Fashions Limited | Trade payable | **-** | (43,473) |
| M/s. PT Pinnacle Apparels | Trade payable | **(7,006,641)** | (4,573,097) |
| M/s. Pearl Global (HK) Limited | Due to related party | **-** | (509,426) |
| | Short Term Borrowings | **-** | (751,262) |
| Mrs. Hemalatha Ganapathy | Salary and other payables | **(23,600)** | (23,433) |
| | Gratuity provision | **(9,297)** | (4,550) |

## 22. CONTINGENT LIABILITIES

As at March 31, 2025, there are no contingent liabilities arising in the ordinary course of the business, which are expected to give rise to any material loss other than disclosed.

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**Notes to the financial statements for the year ended March 31, 2025**

**23. KEY SOURCES OF ESTIMATION UNCERTAINTY**

**a. Useful lives of property and equipment**

The Company's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

**b. Fair value of financial instruments**

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

**c. Impairment of non-financial assets**

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Establishment is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

**24. GENERAL**

**24.1** Figures in the financial statements are rounded off to the nearest United Arab Emirates Dirham(AED).

**24.2** Previous year figures are regrouped and (or) reclassified, wherever necessary for better presentation of financial statements.

**24.3** In the opinion of the management, all the assets as on March 31, 2025 as shown in the financial statement are existing and realizable at the amount shown against them, and there are no liabilities against the concern, contingent or otherwise, not included in the above financial statements.

**For Pearl Global Industries FZCO**

**Mr. Deepak Kumar Seth**
**Director**
**Dubai**
**April 24, 2025**

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